

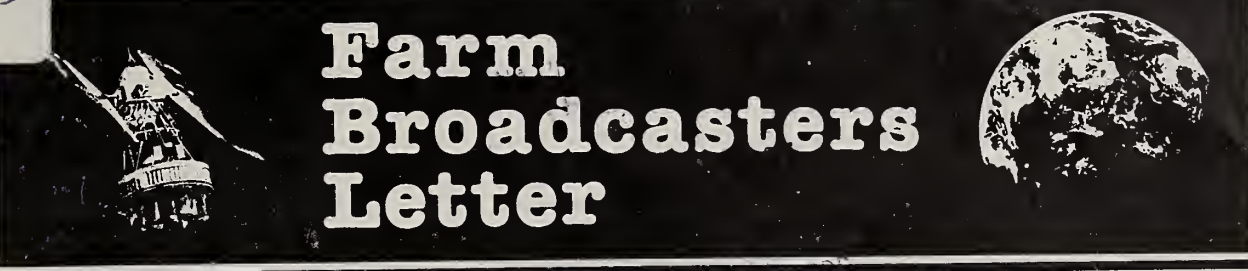
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Farm Broadcasters Letter



Letter No. 2332

October 1, 1987

FEED GRAIN
PROGRAM

CURRENT SERIAL RECORDS

On Sept. 29, Sec'y of Agriculture Richard E. Lyng announced major provisions for the 1988 feed grain program. They include: The 1988 established target prices per bushel for feed grain will be \$2.57 for corn, \$2.82 for sorghum, \$2.55 for barley and \$1.57 for oats...Loan rates are \$1.74 for corn, \$1.65 for sorghum, \$1.42 for barley, 89 cents for oats and \$1.48 for rye. This is nearly a 5 percent reduction from 1987 loan rates. A marketing loan program for feed grains will not be implemented....The acreage reduction requirement will be 20 percent, the same as last year....Oats will not be subject to the limited cross compliance provisions. Signup dates and other details will be announced later.

SALE OF RURAL
HOUSING LOANS

The U.S. Department of Agriculture announced on Sept. 25 that it will sell a portion of its Farmers Home Administration rural housing loans as part of the administration's Credit Management Improvement Program. The loans will be sold to the Rural Housing Trust 1987-1, which in turn will sell approximately \$2 billion 400 million of securities secured by the loans to investors.

EXPORTS & IMPORTS
IN E. EUROPE

Diminished crop prospects throughout much of Eastern Europe has created a potential for several million tons in expanded coarse grain import demand in 1987/88, according to the U.S. Department of Agriculture. However, since most Eastern European countries have hard currency limitations, barter arrangements may be sought, in some cases, instead of outright grain purchases from the U.S. or other countries. For the past 5 years, the U.S. had supplied about 20 percent of Eastern Europe's annual wheat and coarse grain needs. The European Community is considering a corn subsidy program to Eastern Europe for one-half to one million tons.

EC WHEAT
IMPORTS TO
INCREASE

Wheat imports by the European Community are now forecast by the U.S. Department of Agriculture to increase slightly in FY 1987/88. This increase follows a steady decline in import demand for the last 7 years, from 6 million 400 thousand tons in 1979/80 to 2 million 400 tons in 1986/87. Prospects for a poor quality harvest in the EC and the consequent need to import milling wheat for blending are the main reasons for the increase. Historically, virtually all EC wheat imports have come from the U.S. or Canada, but reportedly, the EC has already purchased over 100,000 tons of bread-making wheat from Saudi Arabia. Saudi Arabia's wheat is heavily subsidized.

URUGUAY &
ARGENTINA IN
LONG-TERM TRADE
AGREEMENT

The United States may lose its Uruguayan wheat market because of a recently signed long-term trade agreement between Uruguay and Argentina. According to the U.S. Department of Agriculture, the agreement calls for Uruguay to import 100,000 tons of Argentine wheat each calendar year through 1991. Uruguay imports up to 100,000 tons of wheat annually, and this new agreement makes it unlikely that the U.S. will have much export opportunity in Uruguay in the next several years.

MEXICO BUYS
AUSTRALIAN
WHEAT

The prospects for U.S. exporting milling quality wheat to Mexico may be reduced substantially as a result of Mexico recently obtaining 140,000 tons from Australia, according to the U.S. Department of Agriculture. Last month Mexico and Australia arranged a barter agreement in which 180,000 tons of Australian milling wheat and 20,000 tons of corn of unknown origin were traded for 200,000 tons of Mexico's durum wheat. This transaction also appears to be a barter agreement, trading 200,000 tons of durum for 140,000 tons of Australian bread wheat and 60,000 tons of corn. Mexico is forecast to import 600,000 tons of wheat in 1987/88.

CANADIAN WHEAT
QUALITY DOWN

Cool, wet weather and damaging frosts have had serious impact on Canadian spring and durum wheat quality for the 1987/88 harvest. According to the U.S. Department of Agriculture, current estimates now put wheat quality well below the 5-year average of 1982/83 to 1986/87. This quality, combined with a smaller overall wheat harvest, will produce the lowest volume of #1 hard red spring wheat in several years. Feed quality wheat supplies will be sufficient to provide strong competition to U.S. feedgrains in some traditional coarse grain markets. Reportedly, large volumes of low quality durum were mixed with other spring wheats last year and exported by Canada as feed wheat.

U.S. EXPORT
WHEAT FORECAST
AND CHINA'S
IMPORTS

The U.S. wheat shipments and sales for the current marketing year, as of September 17, total 17 million 300 thousand tons, according to the U.S. Department of Agriculture. That's a 2-million ton increase over the previous month. The leading buyer of U.S. wheat was China, purchasing 210 thousand tons. Recent larger wheat purchases by China may be a sign of a willingness to import more wheat to maintain increasing consumption levels, and could be a move away from the idea of self-sufficiency and tight state control of grain production. The forecast for China's wheat imports for 1987/88 is 10½ million tons, the highest since 1982/83.

U.S. OPPORTUNITY
FOR WHEAT TO
VENEZUELA

The Venezuelan government has announced import licenses for an additional 150,000 tons of wheat, valid through the end of 1987, according to the U.S. Department of Agriculture. While Venezuela has a bilateral agreement with Argentina requiring purchase of Argentine wheat, the new licenses do not appear to specify Argentine origin. Argentina will not begin to have new crop supplies available for export until mid-December, so Venezuela may turn to either Canada or the United States, depending upon price competitiveness.

FROM OUR
TELEVISION
SERVICE

AGRICULTURAL RESOURCES UPDATE...Cropland totaled 330 million acres this year, down eight percent from 1986 figures, continuing a downward trend from the record 387 million acres in 1981. USDA economist Merritt Padgitt examines the outlook for agricultural resources. Vic Powell interviews. (291)

WORLD AGRICULTURAL OUTLOOK...While the volume of U.S. agricultural exports will rise in fiscal 1987 for the first time in seven years, the European Community moved ahead of the U.S. as the world's major agricultural exporter. USDA economist Art Dommen takes a look at the current outlook for world agriculture. Vic Powell interviews. (292)

CONTROLLING PESTS IN GRAIN...USDA scientist William McGaughey describes how insect pests can develop resistance to genetically engineered microbial insecticides and the role this plays in their research work to control pests in grain. Vic Powell interviews. (293)

ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT...There is growing recognition of the importance of entrepreneurship in any community development strategy. Daniel Otto with Iowa State University explores the methods that rural areas might take to participate in entrepreneurial activity. DeBoria Janifer interviews. (294)

PIK AND ROLL...Allen Bock with the University of Illinois describes how the Pik and Roll process may hurt some farmers in terms of taxation because of some new rules and regulations under the IRS. Gary Beaumont interviews. (295)

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1583...(Weekly 13½ min documentary) More and more travelers are opting to stay at "Bed and Breakfast" operations instead of the traditional hotel or motel. On this edition of AGRICULTURE USA Brenda Curtis travels to West Virginia, where she visits three completely different Bed and Breakfast operations and talks to West Virginia University extension specialist Kate Clark about the ins and outs of the business.

AGRITAPE/FARM PROGRAM REPORT #1572...(Weekly reel of news features) USDA news highlights; Avian flu update; New feed grain provisions; Dairy support changes; CCC offering cash payments for Commodity Certificates.

CONSUMER TIME #1063...(Weekly reel of 2½ min features) The "Bed and Breakfast" business; the great scarecrow contest; What does "natural" really mean; Tofu sausage; Buckle up for safety.

USDA RADIO NEWS SERVICE...Mon, Oct. 19, Agricultural outlook; Tues, Oct. 20, Weekly weather and crop outlook; Dairy outlook; Foreign ag. trade of the U.S; Catfish report. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. ET each working day.

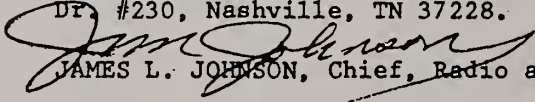
OFF MIKE

If you are just getting into farm broadcasting, or you know someone who is, Gary Truitt is interested. He's looking for someone for his broadcast staff at the Indiana Agribusiness Network in Indianapolis. He's also looking for a salesman. If you want more information, call him at 317-263-2199 ... Harry Jenness is now at KNUJ, New Ulm, MN. He joined the staff Sept. 16 and replaces Bob Crabtree who left to manage a local fast food outlet. Harry was at KEEZ/Hedburg Network in Mankato, MN. He says that as far as he knows, KEEZ and the Hedburg Net are phasing out of the agricultural reporting business ... Gary Kadansky has been the farm director at KROC, Rochester, MN, for a year now and already he's gotten involved in one of those interesting, exotic projects farm broadcasters find themselves in. However, this one has a delicious tone to it. Gary reports he's one of 24 people from across the country selected to serve as "assistant ice cream tasters" by a leading ice cream manufacturing company. He was flown to California

Farm Broadcasters Letter
Radio and Television, Rm. 410-A
Office of Information, OGPA
U.S. Department of Agriculture
Washington, D.C. 20250-1300

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about a week ago and spent a tough day learning how to taste ice cream and helping to find several new flavors for the company to push in 1988. Please forgive him, but Gary closed his letter with, "That's the scoop!" ... The latest issue of CHATS, the NAFB newsletter, arrived chocked full of good information as always. Couple items of interest include the fact that Andrew Baumert has left KWBE/KMAZ, Beatrice, NE, to be the director of special activities for the Iowa Pork Producers Association. Another items of interest: Krit Stubblefield will be leaving the Kentucky AgriNet around the first of the year to work for the Kentucky Department of Agriculture. Dan Gordon, who is with the Tennessee Agrinet owned by the same corporation, is the contact person for finding Krit's replacement. If you're interested, send a tape and resume to Dan at Tennessee Radio Network, 621 Mainstream Dr. #230, Nashville, TN 37228.


JAMES L. JOHNSON, Chief, Radio and Television Division